

**Effective 7/17/2016**

**59-10-1024 Nonrefundable tax credit for qualifying solar projects.**

- (1) As used in this section:
- (a) "Active solar system" means the same as that term is defined in Section 59-10-1014.
  - (b) "Purchaser" means a claimant, estate, or trust that purchases one or more solar units from a qualifying political subdivision.
  - (c) "Qualifying political subdivision" means:
    - (i) a city or town in this state;
    - (ii) an interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act; or
    - (iii) a special service district created under Title 17D, Chapter 1, Special Service District Act.
  - (d) "Qualifying solar project" means the portion of an active solar system:
    - (i) that a qualifying political subdivision:
      - (A) constructs;
      - (B) controls; or
      - (C) owns;
    - (ii) with respect to which the qualifying political subdivision described in Subsection (1)(c)(i) sells one or more solar units; and
    - (iii) that generates electrical output that is furnished:
      - (A) to one or more residential units; or
      - (B) for the benefit of one or more residential units.
  - (e) "Residential unit" means the same as that term is defined in Section 59-10-1014.
  - (f) "Solar unit" means a portion of the electrical output:
    - (i) of a qualifying solar project;
    - (ii) that a qualifying political subdivision sells to a purchaser; and
    - (iii) the purchase of which requires that the purchaser agree to bear a proportionate share of the expense of the qualifying solar project:
      - (A) in accordance with a written agreement between the purchaser and the qualifying political subdivision;
      - (B) in exchange for a credit on the purchaser's electrical bill; and
      - (C) as determined by a formula established by the qualifying political subdivision.
- (2) Subject to Subsection (3), for taxable years beginning on or after January 1, 2009, a purchaser may claim a nonrefundable tax credit equal to the product of:
- (a) the amount the purchaser pays to purchase one or more solar units during the taxable year; and
  - (b) 25%.
- (3) For a taxable year, a tax credit under this section may not exceed \$2,000 on a return.
- (4) A purchaser may carry forward a tax credit under this section for a period that does not exceed the next four taxable years if:
- (a) the purchaser is allowed to claim a tax credit under this section for a taxable year; and
  - (b) the amount of the tax credit exceeds the purchaser's tax liability under this chapter for that taxable year.
- (5) Subject to Section 59-10-1014, a tax credit under this section is in addition to any other tax credit allowed by this chapter.

Amended by Chapter 1, 2016 Special Session 3